

# MINUTES

## Executive Board



Senator Gary Cammack, Chair  
Representative Dean Wink, Vice Chair  
Representative Spencer Hawley, Ranking Minority Member

**Sixth Meeting, 2016 Interim  
Monday, August 29, 2016**

**Room 413 – State Capitol  
Pierre, SD**

The sixth meeting of the Executive Board for the 2016 Interim was called to order by **Senator Gary Cammack** at 10:40 a.m. in room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senator Gary Cammack, Chair; Representative Dean Wink, Vice Chair; Representative Spencer Hawley, Ranking Minority Member; Senators Phyllis Heineman, Scott Parsley, Billie Sutton (via telephone), and Jim White; Representatives Brian Gosch (via telephone), Don Hagggar, Roger Hunt, and Fred Romkema (via telephone). Those excused: Senator Corey Brown, Senator David Omdahl, Representative Jim Bolin and Representative Tim Johns.

Staff members present included Jason Hancock, Director; Sue Cichos, Deputy Director; Doug Decker, Code Counsel; Annie Mehlhaff, Chief Analyst for Fiscal Research and Budget Analysis; David Ortbahn, Chief Analyst for Research and Legal Services; Scott Darnall, Information Technology Manager; Jeff Mehlhaff, Fiscal Analyst; and Cindy Tryon, Senior Secretary.

*NOTE: For purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available at the LRC web site at <http://www.sdlegislature.gov/>.*

### **Approval of the Agenda**

**A MOTION WAS MADE BY REPRESENTATIVE WINK, SECONDED BY REPRESENTATIVE HUNT, TO APPROVE THE AGENDA. The motion prevailed on a voice vote.**

### **Approval of the Minutes**

**A MOTION WAS MADE BY REPRESENTATIVE WINK, SECONDED BY SENATOR WHITE, TO APPROVE THE MINUTES OF THE JUNE 13 AND JULY 23, 2016, EXECUTIVE BOARD MEETINGS. The motion prevailed on a roll call vote with 10 voting AYE and 5 EXCUSED. Those voting AYE: Heineman, Parsley, Sutton, White, Gosch, Hagggar, Hawley, Hunt, Wink, and Cammack. Those EXCUSED: Brown, Omdahl, Bolin, Johns, and Romkema.**

### **LRC Management Reports**

**Ms. Sue Cichos, Deputy Director**, said information regarding the Legislative Page Program will be mailed to all legislators early in September. The information packets are mailed to school principals and guidance counselors, and a reminder for the program is placed in the Department of Education's newsletter. All information can also be found on the LRC website. The deadline for submitting applications is November 14.

**Mr. Doug Decker, Code Counsel**, reported the effective date for initiated and referred measures is one day after completion of the official canvas date. This year's canvas date is November 15. This schedule does not allow for much time to make the necessary changes.

Mr. Decker said the project to have historical volumes rebound continues and an additional ten volumes were just sent to the bindery.

**Mr. David Ortbahn, Chief Analyst for Research and Legal Services**, invited board members to the basement of the Capitol where IT, Code Counsel, the Director, and the research staff are now located, until the completion of the LRC office remodel. Packing and moving took a great deal of the research staff's time, in addition to staffing the interim committee meetings.

The bill drafting manual is being revised and will be placed on the LRC website when completed. A bill drafting seminar is scheduled for October 4 for executive branch staff who are involved in bill drafting. Close to a fourth of the bills considered during session come from state agencies.

Mr. Fred Baatz, Ms. Roxanne Hammond, and Ms. Stephanie Gruba are working on the intern program for the 2017 session and will be traveling this week to various universities to visit with coordinators and meet prospective students. Interns are selected the first part of November.

**Ms. Annie Mehlhaff, Chief Analyst for Fiscal Research and Budget Analysis**, reported the vacant fiscal analyst position has been filled by Mr. Lucas Martin, a recent SDSU graduate and a 2016 LRC intern. Now that the fiscal division is fully staffed, new agency assignments have been made and that information is available on the LRC website. One big change for the 2017 legislative session is Ms. Stephanie Gruba will be working on the prison impact statements.

During the temporary relocation of the office, the Fiscal staff are located in room 430 of the Capitol and legislators are welcome to visit staff at that location.

**Mr. Scott Darnall, Information Technology Manager**, said the IT staff continues reviewing the new infrastructure and that a wireless audit was conducted a month ago. The audit demonstrated that the system should be able to handle the load during the legislative session. Mr. Darnall said he continues working with the fiscal staff on the new fiscal budget program.

**Mr. Jason Hancock, Director**, reported on the remodeling project that is underway in the LRC offices. The LRC staff hope to be back in their offices before the November election. Legislative Conference Rooms (LCR) 1 & 2 are also being remodeled and when completed, LCR 1 will be roomier making it more comfortable for the Joint Committee on Appropriations meetings and LCR 2 will become a small conference room.

Mr. Hancock said the New Legislator Orientation will be held Wednesday, Dec. 7, which is the day after the Governor's Budget Address. The orientation will most likely start Tuesday afternoon after the conclusion of the speech and continue on Wednesday.

Mr. Hancock asked Ms. Roxanne Hammond to present information on proposed changes to the Prison Impact Statements. **Ms. Roxanne Hammond, Senior Attorney**, distributed a document explaining the amount of time spent on preparing these cost estimates and suggested changes to the process to reduce the hours needed for researching the estimates ([Document #1](#)). Ms. Hammond said legislation is needed to make the suggested changes to the process.

It is the consensus of the Board that Ms. Hammond move forward with drafting legislation as proposed.

### **Investment Council Subcommittee Report**

**Representative Brian Gosch, Chair of the Investment Council Subcommittee**, introduced **Mr. David Hillard, Chair, and Mr. Matt Clark, State Investment Officer, SD Investment Council**. Mr. Hillard and Mr. Clark presented the FY16 performance report and the FY18 budget request for the South Dakota State Investment Council. Mr. Hillard said there is a tremendous amount of active management going on within the Investment Council and he has been very impressed. Mr. Hillard pointed out that a dollar invested in the retirement system in 1973 has grown to \$73 today.

**A MOTION WAS MADE BY REPRESENTATIVE HAGGAR, SECONDED BY SENATOR HEINEMAN TO APPROVE THE FY18 BUDGET FOR THE SOUTH DAKOTA INVESTMENT COUNCIL AS PRESENTED. The motion prevailed on a roll call vote with 10 voting AYE and 5 EXCUSED. Those voting AYE: Heineman, Parsley, White, Gosch, Haggar, Hawley, Hunt, Romkema, Wink, and Cammack. Those EXCUSED: Brown, Omdahl, Sutton, Bolin, and Johns.**

Mr. Clark explained that no incentives are paid out until the Legislative Audit is completed.

### **Technology Subcommittee Report**

**Senator Phyllis Heineman, Chair, Technology Subcommittee**, asked **Mr. Scott Darnall, IT Manager**, to assist in giving the Technology Subcommittee report. Senator Heineman and Mr. Darnall said several legislators have demonstrated an interest in purchasing the laptops they have used during past sessions. There are several steps that must be followed in order to make that purchase, but it is possible. Mr. Darnall will prepare the information and distribute it to the legislators for their consideration.

Senator Heineman said rather than offering different devices to legislators, they will all be receiving the same iPads for the 2017-2018 legislative sessions. Legislators will be contacted regarding when training for using the iPads will be conducted.

Senator Heineman said computer interns who have worked the legislative sessions in the past have been Dakota State University students. Starting with the 2017 session, students from other universities may be hired.

### **Budget Subcommittee Report**

**Senator Jim White, Chair, Budget Subcommittee**, introduced **Auditor General Marty Guindon, Department of Legislative Audit**, to present the department's proposed FY18 budget. Auditor General Guindon said the proposed FY18 budget is an increase of \$136,719 over the FY17 authorized budget, for a total budget request of \$3,760,496. The increases are in personal services, travel, and contractual services.

**A MOTION WAS MADE BY SENATOR WHITE, SECONDED BY REPRESENTATIVE HUNT, TO APPROVE THE DEPARTMENT OF LEGISLATIVE AUDIT'S REQUESTED FY18 BUDGET INCREASE OF \$136,719, BRINGING THE TOTAL FY18 BUDGET REQUEST FOR DLA TO \$3,760,496. The motion prevailed on a roll call vote with 11 voting AYE and 4 EXCUSED. Those voting AYE: Heineman, Parsley, Sutton, White, Gosch, Haggar, Hawley, Hunt, Romkema, Wink, and Cammack. Those EXCUSED: Brown, Omdahl, Bolin, and Johns.**

Ms. Annie Mehlhaff presented the FY18 budget proposal for the Legislative Research Council. The request is for a \$41,709 increase over the FY17 budget, for a total budget request of \$7,113,321. The change includes increases in the move-to-market compensation plan, and the legislative travel and per diem, and a decrease in the postage administration fund.

**A MOTION WAS MADE BY SENATOR WHITE, SECONDED BY REPRESENTATIVE HUNT, TO APPROVE THE LEGISLATIVE RESEARCH COUNCIL'S REQUESTED FY18 BUDGET INCREASE OF \$41,709, BRINGING THE TOTAL BUDGET REQUEST FOR LRC TO \$7,113,321. The motion prevailed on a roll call vote with 11 voting AYE and 4 EXCUSED. Those voting AYE: Heineman, Parsley, Sutton, White, Gosch, Haggar, Hawley, Hunt, Romkema, Wink, and Cammack. Those EXCUSED: Brown, Omdahl, Bolin, and Johns.**

### **BIT Lean Study Report**

Mr. Hancock said the Request for Proposal (RFP) was written as requested by the Joint Committee on Appropriations and the Executive Board ([Document #2](#)). After receipt of the proposals, BIT, LRC, and the two Lean program advisors ranked the proposals and ReEngine Consulting was the top selection on all four scorecards ([Document #3](#)).

**Mr. Jeff Mehlhaff, Fiscal Analyst**, said part of the reasoning for selecting ReEngine Consulting is their proposal states they will do three events while the other proposals only included one event, and the ReEngine proposal said they will be onsite much more often than the other three included in their proposals.

**Representative Roger Hunt** commended the staff for the amount of work done on the RFP in a short amount of time. Representative Hunt said this is an excellent starting point, BIT is a good choice to start this program, and it will set a milestone in state government.

**Senator Gary Cammack** said the Lean process is not a search for problems but rather is a way of looking for areas within state government that can use improvement.

**A MOTION WAS MADE BY SENATOR WHITE, SECONDED BY REPRESENTATIVE HUNT, TO AUTHORIZE DIRECTOR HANCOCK TO TRANSFER UP TO \$145,960 FROM THE LEGISLATIVE PRIORITY PROGRAM CONTINGENCY FUND TO THE LEGISLATIVE RESEARCH COUNCIL FOR THE PURPOSE OF CONTRACTING FOR LEAN TRAINING AND IMPLEMENTATION IN THE BUREAU OF TELECOMMUNICATIONS. The motion prevailed on a roll call vote with 11 voting AYE and 4 EXCUSED. Those voting AYE: Heineman, Parsley, Sutton, White, Gosch, Haggar, Hawley, Hunt, Romkema, Wink, and Cammack. Those EXCUSED: Brown, Omdahl, Bolin, and Johns.**

### **Legislators Forum**

**Senator Scott Parsley** gave some history of the Legislators Forum and said he finds this organization to be beneficial as it allows members from Manitoba, Minnesota, North Dakota, and South Dakota to learn from each other as they face the same issues, such as human trafficking which was this year's topic. A document containing additional information was distributed ([Document #4](#)).

**Representative Dean Wink** said he heard the dues may be going from \$10,000 to \$15,000, and perhaps there is some duplication of efforts with other membership organizations.

**Representative Spencer Hawley** said the Legislators Forum is different as there are only about 24 people involved and the smaller group is better able to discuss and address the issues that affect this region.

Senator Parsley said he had not heard any discussion of raising the dues at the June Legislators Forum meeting. Mr. Hancock said if the dues are increased, the Executive Board would have to take action at that time on whether or not to retain membership in this organization.

Senator Cammack said the South Dakota legislative members of the Legislators Forum are appointed by the Speaker and the President Pro Tem and anyone interested in being appointed should notify the Speaker and President Pro Tem.

### **New Legislator Orientation Update**

Mr. Hancock said the New Legislator Orientation will begin following the Governor's Budget Address on the afternoon of Tuesday, December 6, 2016, and will continue through Wednesday, December 7, 2016. By conducting the orientation on these dates, those taking part in the program will only need to stay in Pierre one night.

### **Adjourn**

**A MOTION WAS MADE BY REPRESENTATIVE HAGGAR, SECONDED BY SENATOR HEINEMAN, THAT THE EXECUTIVE BOARD BE ADJOURNED. The motion prevailed on a roll call vote with 11 voting AYE and 4 EXCUSED. Those voting AYE: Heineman, Parsley, Sutton, White, Gosch, Haggar, Hawley, Hunt, Romkema, Wink, and Cammack. Those EXCUSED: Brown, Omdahl, Bolin, and Johns.**

The Board adjourned at 2:30 p.m.